

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Capel Inc

#### North Carolina Manufacturing Extension Partnership

#### Capel Rug, Inc. Weaves Continuous Innovation

##### Client Profile:

Capel Rugs, Inc. is America's largest manufacturer and importer of area rugs. Capel Rugs includes the Woven-Flat woven collection which embodies a diversity of handmade and machine-woven yarn braided rugs. The 92-year-old company employs 350 people at its facility in Troy, North Carolina.

##### Situation:

Capel Rugs was experiencing a delay in the arrival of an item and payment for that product. Large customers require credit approval prior to an order being placed and filled. The process of receiving the initial request, to granting the credit, and database set-up, took weeks to facilitate. Once the order was filled, it then had to go through a painstaking shipping process, delaying the arrival of the item for the customer and ultimately payment of the product. The company contacted the North Carolina Manufacturing Extension Partnership (NC MEP), a NIST MEP network affiliate, for help.

##### Solution:

NC MEP conducted Lean Office sessions including Value Stream Mapping methodology to determine current status and identify wasteful areas of work. Two Kaizen events were also incorporated. NC MEP then held a senior management coaching session in which Lean culture and concepts relating to sustaining the improvements were shared. Senior management brought concepts of Lean into other areas of operation where additional efficiencies and gains were realized. As a result of NC MEP's assistance, Capel Rugs reduced inventory and warehouse space, expedited the shipping process, increased production capacity, and improved quality.

##### Results:

- \* Retained sales of \$500,000.
- \* Realized \$890,000 in cost savings.
- \* Improved productivity by 18 percent.
- \* Reduced lead time for credit approval from 3 weeks to 24 hours.
- \* Invested \$41,000 in workforce development
- \* Retained/created 36 jobs.

##### Testimonial:

"Lean works anywhere. It works in the hospital, the office, the plant."

Richard Capel, Director of manufacturing